

Housing Opportunities for All Workgroup Meeting

September 6, 2019

MEETING NOTES

Key takeaways

- Workgroup members agreed to use an iterative, consensus-based process to fulfill its roles, as outlined in CR-16-2019.
- Workgroup members agreed to focus on four policy-related actions from *Housing Opportunity for All* between September and December 2019. These actions were identified by the Workgroup co-chairs as some of the most immediate policy-related questions for both the executive and legislative. The actions are as follows:
 - **Cross-cutting actions:**
 - Cross-cutting action 1.5. Establish stronger, market-informed inclusionary housing requirements.
 - Cross-cutting action 3.1. Increase the County's Housing Investment Trust Fund (HITF).
 - **Targeted actions:**
 - Targeted action 2.6. Strengthen the County's and partners' ability to purchase affordable rental properties at-risk of converting to market-rate housing (i.e., right-of-first refusal provisions).
 - Targeted action 3.2. Create a land bank to support redevelopment of abandoned residential properties (or expand powers granted to the Redevelopment Authority to provide the same function).
- Workgroup members developed policy objective statements for the four policy-related actions. These objectives will inform other, more specific aspects of policy development.
- Future Workgroup meeting will start with a large-group discussion of the draft policy objectives for each action.

Questions from Workgroup & audience members

- **Does inclusionary zoning only apply to multifamily? Or has it/can it be used for townhomes and single-family developments?**
 - The policy or program determines which properties inclusionary provisions are applied to; as a result, they can apply to multifamily, townhome, or single-family developments.
 - Montgomery County's Moderately Priced Dwelling Unit (or MPDU) program was cited as an example. It applies to any subdivision more than 20 units and requires a 99-year affordability period.
- **Does inclusionary housing apply to accessory dwelling units (or ADUs)?**
 - Typically, inclusionary housing policies apply to primary dwelling units.
- **Why did the County's past attempts at inclusionary housing policies fail?**

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- County staff explained that on past iteration applied to townhomes and required that dedicated units match market-rate ones. She noted that legislation was passed to limit townhome construction.
- **Where are the greatest needs for increased supply in Prince George's County (i.e., who are we trying to solve for)?**
 - In terms of price, there are limited for-sale housing options for households earning more than the area median income (AMI).
 - Most of the county's rental supply is priced for households earning between 31 and 80% AMI.
 - The county has fewer rental units for households earning above 80% AMI and below 30% AMI (see page 31 of *Housing Opportunity for All*).
- **Does area median income refer to the County's household median income or the region's household median income?**
 - Analysis completed for *Housing Opportunity for All* defined needs using household area median income for the Washington, DC region (as defined by the U.S. Department of Housing and Urban Development).
 - Considering needs using HUD-defined income levels builds continuity with regional housing initiatives and federal program guidelines that the County uses when administering its federal funding.
 - There's widespread recognition that the median household income in Prince George's County (about \$79,000 according to the 2012–2017 American Community Survey) is lower than the median household income in the Washington, DC region (about \$121,000 according to HUD's FY19 income limits).

Informational requests

- Matrix of inclusionary housing policies from different jurisdictions
- More information about past inclusionary housing efforts in Prince George's County

Small-group report-out & discussion notes

POLICY ACTION #1

CROSS-CUTTING ACTION 1.5

Establish stronger, market-informed inclusionary housing requirements.

Policy objective: *An inclusionary housing policy in Prince George's County would support rental and homeownership opportunities from a local and regional perspective. The policy should be informed by a study that examines what overlaying incentives would work best for developers and attract and retain residents, examples of other policy models, and the County's history of using inclusionary zoning practices.*

Discussion notes:

- Why?
 - Production & preservation of rental and homeownership opportunities throughout the county
 - Data analysis to understand what will work given the market conditions
 - Anti-displacement

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- What are the 2-3 biggest challenges with implementing an inclusionary housing policy?
 - The county has a wide variety of different markets, so one kind of inclusionary housing policy might work one place and not another.
 - Political resistance to affordable housing

POLICY ACTION #2

CROSS-CUTTING ACTION 3.1

Increase the County's Housing Investment Trust Fund (HITF).

Policy objective: An expanded Housing Investment Trust Fund in Prince George's County would 1) expand production and preservation of homes for households below 80% AMI with targets for families and individuals below 30% AMI; 2) be flexible and used to leverage other funding sources; and 3) expand down payment assistance.

Discussion notes:

- Why?
 - Purchase multifamily or single-family properties in targeted areas of underinvestment to preserve affordable housing
 - Provide rental assistance (for households at 10% AMI)
 - Expand production and preservation for households at or below 80% AMI
 - Ability to use anywhere in the County
 - 80% because of ability to leverage other resources
 - Funds should be flexible and can be used to leverage other resources.
 - Targeted use of funds for households at or below 20-30% AMI (i.e., \$30,000 family without access to benefits); need to have targets for this income level.
 - Expand down payment assistance (first-time homebuyers); not enough funds.
- What are the 2-3 biggest challenges with expanding the County's Housing Investment Trust Fund?
 - Modifications to existing legislation
 - Funding
 - Need for a dedicated/automatic funding source (in additions to contributions from the general fund)
 - If the funding was doubled (\$10 million over five years), it's not a lot. In other words, it wouldn't support many developments relative to need; average fund request is \$2-3 million per project (based on staff's estimate).
 - Should be data-driven (i.e., aligned with data/needs).

POLICY ACTION #3

TARGETED ACTION 2.6

Strengthen the County's and partners' ability to purchase affordable rental properties at-risk of converting to market-rate housing (i.e., right-of-first refusal provisions).

Policy objective statement: Stronger right of first refusal provisions in Prince George's County would be used to maintain quality housing that serves a diverse selection of income (AMI) groups (including low-

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and moderate-income and market-rate).

Discussion notes:

- Why?
 - Policy as it's currently designed is not operable; hasn't been used since inception.
- What are the 2-3 biggest challenges with using the County's right-of-first refusal?
 - Sustainable funding solutions, including third party resources
 - Technical expertise to use right-of-first refusal in a timely manner (may not exist currently among County staff)
 - Uncertainty from both the County's and buyer's perspectives:
 - County: Intentions of buyer following sale / long-term agenda for property (alignment)
 - Buyer: County process and timeline

POLICY ACTION #4

TARGETED ACTION 3.2

Create a land bank to support redevelopment of abandoned residential properties (or expand powers granted to the Redevelopment Authority to provide the same function).

Policy objective statement: A land bank in Prince George's County would eliminate blight, remove barriers to use, convey properties to prospective landowners (new) and hold properties for future use.

Discussion notes:

- Why?
 - Preservation of affordable housing stock for low- and moderate-income households
 - Remove blight
 - Public safety
- How would you know if a landbank was successful?
 - Home sales
 - Sustained community health
 - Revitalize communities
 - Pride in neighborhoods
- What are the 2-3 biggest challenges with establishing a land bank?
 - Finding properties and property owners
 - Identification of land bank manager
 - Capitalization of managing entity (for operating costs) and acquisition of properties
 - Disposition priorities